

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

JOHN R. BURKE, ET AL.
Complainants

vs.

SHARPSBURG WATER DISTRICT
Defendant

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CASE NO. 8385

O R D E R

On October 27, 1981, the Commission received a complaint from several customers of the Sharpsburg Water District ("Sharpsburg Water") which listed a number of water service problems.

A hearing was held on January 28, 1982, at the offices of the Commission in Frankfort, Kentucky, and all parties of interest were given an opportunity to be heard.

Sharpsburg Water serves about 426 customers in northwest Bath County (city of Sharpsburg and vicinity) and southeast Nicholas County (community of Moorefield and vicinity). A 100,000-gallon standpipe type water tank is located at Sharpsburg and a 20,000-gallon elevated water tank is located at Moorefield. Due to a leak at the junction of the vertical feeder main and the bottom of the tank, the tank at Moorefield was taken out of service by Sharpsburg Water.

Sharpsburg Water began providing water service in November 1964. Utility facilities now include an impoundment dam and reservoir, a treatment plant that can produce 180,000 gallons of potable water per day, storage tanks of 100,000- and 20,000-gallon capacity and distribution system of asbestos cement (AC) pipe.

Because of its low resistance to breakage, the AC pipe of 4-inch diameter or less has contributed significantly to Sharpsburg Water's operational problems and has adversely affected its ability to provide adequate and reliable service to its customers. In addition, because of the chemical and mineral content of Sharpsburg Water's source of supply, there have been water quality problems from the date operations were begun.

The Commission, after consideration of the record and being advised, is of the opinion and finds that:

1) Sharpsburg Water is not providing adequate and reliable service pressure to a number of its customers located near the storage tank at Moorefield. Further, Sharpsburg Water cannot provide adequate and reliable service pressure for these customers with the Moorefield storage tank out of service. This tank should, therefore, be put back in service without further delay. Further, monthly ~~progress~~ reports on this matter should be filed with this Commission until the serviceability of this tank is restored.

2) The quantity of water lost by leakage from distribution mains is excessive⁽¹⁾ and severely diminishes Sharpsburg Water's capacity to provide adequate quantities of water to its customers. Further, this excessive leakage adversely affects the operating

(1) The maximum loss considered reasonable by this Commission is 15%. Sharpsburg's reported losses for calendar years 1981 and 1982 were 28.7% and 34%, respectively.

costs which must be absorbed by the customers of this non-profit utility. Sharpsburg Water should initiate an intensive program to find and repair its leaks. Further, this program should be continued and monthly progress reports made to this Commission until such time as leakage has been reduced and maintained at 15 percent or less for 3 consecutive months. These reports should include gallonage produced and purchased, gallonage sold and gallonage unaccounted for, with unaccounted-for water shown as a percentage of water produced and purchased.

3) Sharpsburg Water recognizes the deficiencies in its waterworks facilities and its need to plan for the correction of these deficiencies. A consulting engineer has been employed and a preliminary engineering report has been prepared.⁽²⁾ This report lists three alternatives: (A) improve the water treatment plant, the dam⁽³⁾ and the distribution system at an estimated cost of \$883,000; (B) construct a new intake structure on the Licking River, construct about 5 miles of 8-inch raw water main from this new intake to the water treatment plant, and improve the treatment plant, the dam and the distribution system at an estimated cost of \$821,000; (C) construct about 8.5 miles of 8-inch water main along KY 36 between Sharpsburg and Owingsville including a booster pump station, a storage tank, a master meter station and a connection to the Bath County Water system at an estimated cost of \$837,500.

⁽²⁾Mayes, Sudderth & Etheredge, Inc., Lexington, Kentucky, "Preliminary Engineering Report," dated February 19, 1982.

⁽³⁾The dam has been noted high hazard, "unsafe, non-emergency" by the Corps of Engineers in its Phase I Dam Inspection report.

Alternative "C" has been recommended by the engineer, and the Farmers Home Administration has agreed to participate in the financing of this construction.

Sharpsburg Water should continue to work with its engineer to finalize plans for alternative "A", "B" or "C" and to secure the necessary financing for construction. When plans have been completed and the financing secured, Sharpsburg Water should file with this Commission an application for approval of the proposed project. Sharpsburg Water should file monthly progress reports on its objectives until the application is filed.

IT IS THEREFORE ORDERED that Sharpsburg Water shall, without further delay, initiate and complete the work essential to the restoration of service of its 20,000-gallon storage tank at Moorefield. Further, monthly progress reports in this matter shall be filed with the Commission until serviceability of this tank is restored.

IT IS FURTHER ORDERED that Sharpsburg Water shall establish and maintain an ongoing program for leak detection and correction. Further, monthly progress reports shall be filed with this Commission until unaccounted-for water is 15 percent or less for 3 consecutive months. These reports shall show the total gallonage produced and purchased, gallonage sold and gallonage unaccounted for, with unaccounted-for water shown as a percentage of water produced and purchased.

IT IS FURTHER ORDERED that Sharpsburg Water shall continue its efforts to finalize plans and secure financing for a waterworks improvements project to correct deficiencies of quantity, quality and service reliability. Further, monthly progress reports shall be filed

with the Commission until an application for approval of a waterworks improvements project (as defined more specifically by finding number 3 herein) is filed.

Done at Frankfort, Kentucky, this 9th day of July, 1982.

PUBLIC SERVICE COMMISSION

Marlin M. Volk
Chairman

Katherine Randall
Vice Chairman

Jim Carver
Commissioner

ATTEST:

Secretary